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C O N F I D E N T I A L SECTION 01 OF 03 KYIV 000067

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SUBJECT: PRESIDENTIAL ELECTION: RHETORIC HEATS UP; RACE

YANUKOVYCH'S TO LOSE

Classified By: Ambassador John F. Tefft. Reasons 1.4 (b/d).

Summary

11. (C) PM Tymoshenko, trailing Party of Regions leader Yanukovych in advance of the January 17 Presidential election, used a three-hour press event January 14 to hammer the message that Yanukovych is a criminal and front man for rapacious oligarchic interests, whose election would be a humiliation for Ukraine. She called Yanukovych a coward for refusing to debate her. Yanukovych responded by declaring Tymoshenko a "champion liar." President Yushchenko's daily barrages against Tymoshenko may suppress "Orange" turnout in round two. Yushchenko has revived allegations against Tymoshenko of corruption as a gas executive in the 1990s and accused her of being in league with Putin. Businessman Sergey Tigipko appears to have surged into third place, reflecting the "against all" sentiments of many voters. Unlike 2004, Russian influence has been muted. There are 3149 registered foreign election observers. The Central Election Commission (CEC) denied registration to over 2000 Georgian observers, apparently at the instigation of the Party of Regions. A judge has ordered the CEC to reconsider the applications. End Summary.

Snapshot

¶2. (C) Ukraine's presidential election law does not allow publication of polls for fifteen days before the election. The consensus view among experts is that Yanukovych is ten points, perhaps more, ahead of Tymoshenko. Yanukovych political consultant Paul Manafort confirmed to us January 15 that his client has not lost his double digit lead. A Tymoshenko campaign consultant told us much the same January ${ t \underline{1}} 14$. Businessman and former Central Bank Governor and 2004 Yanukovych campaign chairman Sergey Tigipko has, most analysts believe, moved into third place. Allegations that opponents will commit fraud, and the threat of court challenges to results, are rife on all sides. Round two of the Presidential election will take place on February 7 if, Round two of as expected, no one among the 18 candidates gets fifty percent in round one.

Tymoshenko Rips into Yanukovych

- ¶3. (SBU) Tymoshenko convoked national and international media and the diplomatic corps to a large auditorium outside central Kyiv January 14 for a highly orchestrated "press conference" to close out her campaign. It included video bridges to a number of locations through Ukraine, with Tymoshenko supporters asking set-up questions. Speaking (while standing on very high heels) for three and a half hours, Tymoshenko, in fighting spirit and largely without notes, emphasized the following:
- -- Yanukovych is the front man for rapacious oligarchic

interests. These oligarchs see Ukraine as their own personal property and want a President who will accede to their wishes and cut them preferential deals. She pledged to "put oligarchs in their place" and rule in the national interest. She touted instances of how she had subverted the oligarchs, such as by removing RosUkrEnergo as intermediary on gas purchases from Russia and in reversing plans for oligarch-led development of energy reserves off the Black Sea coast. The oligarchs want to restrict competition and hold back Ukraine's development. They control media outlets and bribe state officials to maintain their power. This, she stressed, is a major threat to Ukraine's democratic evolution.

- --Yanukovych's criminal past make him unsuitable to serve as President. His election would damage Ukraine's image. His picture in schools and government offices would be absurd given his criminal convictions and support for corrupt oligarchs.
- --Yanukovych, like the oligarchs he represents, is a thief. He stole state property by acquiring, while Prime Minister, a huge estate "the size of Monaco" for next to nothing.
- --Yanukovych is a coward for refusing to debate her. Ukraine needs a "brave President" to handle the challenges it faces. Either Yanukovych does not have the intellectual capacity to debate her or is afraid to do so because he has things to hide -- or both. TV talk show hosts should invite her when they interview him to allow the public to see them compete.
- --She is open to joining forces with Tigipko and candidates KYIV 00000067 002 OF 003

Yatsenyuk and Hritsenko after the first round.

- --Yushchenko is in league with Yanukovych. Yushchenko seeks to get Orange voters to stay home in round two. She refuses to reply to his constant barrages.
- --She ended with an emotional appeal to Orange Voters not to stay at home out of disappointment over unfulfilled promises since 2005, but to "join with me" to live up to the goals of the Orange Revolution. Tymoshenko said she has been de facto in opposition even as PM because of Yushchenko's undermining and Regions' hold over the East and South. She called Sunday's election a choice between democracy and criminal oligarchy. Ukraine is "on the edge."

Yanukovych Coasting to Finish

- 14. (C) Making final rounds on TV January 14, Yanukovych termed Tymoshenko a "champion liar" and said he would not participate in a media circus with her. He expressed concern that Tymoshenko would not accept defeat and would seek to use the courts to hold as many rounds of elections as it takes for her to get elected. Manafort told us that Tymoshenko knows she is losing and is now moving to discredit the election process as the only means of stopping Yanukovych.
- 15. (SBU) Regions contacts make it clear to us that the Party is preparing for court challenges from Tymoshenko. The party has also sought to subvert pro-Tymoshenko street protests by preemptively reserving many of Kyiv's main squares from now until after the second round. Yanukovych will hold a final rally on January 15 at St. Sofia square in central Kyiv.

Election Observers

16. (U) The Central Election Commission (CEC) released the final number of registered observers on January 12. Under the current presidential election law, observers can be

registered as representatives of a foreign state or of an international organization. The proposed amendment to the law that would have allowed Ukrainian citizens to register as domestic observers was not passed by the Rada. Therefore Ukrainian observers, as they have in past presidential elections, have registered as journalists. The following were registered as international observers from foreign states:

Kyrgistan	1
Hungary	8
Germany	11
Russia	39
Japan	4
U.S.A.	73
Czech Republic	7
Estonia	4
Belarus	3
Norway	3
France	3
Kazakhstan	1
Lithuania	2
Canada	1
Poland	96
Denmark	20
TOTAL	276

17. (SBU) 2011 Georgian nationals applied for international observer accreditation, but when the CEC voted to consider the applications, only 7 of the 15 members voted to consider the applications. Thus all of the applications were refused by the CEC, which stated that many were filled out incorrectly and there was insufficient time to get these corrected and consider all of them together as a whole. The Georgians appealed this decision to the Kyiv Administrative Court of Appeals, which ruled that the CEC's inaction to consider these actions was illegal and ordering the CEC to consider the applications at its next meeting. CEC Secretary Tetyana Lukash told the press that the CEC is appealing the Court's ruling. The Georgian Ambassador told us it is now too late to get observers here for the first round, but still held out hope for the second round.

18. (U) The following were registered as international observers from international organizations:

OSCE	614
CIS Parliamentary Assembly (PA)	77

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"For Fair Elections" NGO	402
Ukrainian Congress Committee of America (UCCA)	104
CIS Election Monitoring Organization	259
European Network of Election	
Monitoring Organizations (ENEMO)	603
International Republican Institute (IRI)	41
International Union of Komsomol	
Organizations (VLKSM)	162
National Democratic Institute (NDI)	15
GUAM	3
World Congress of Ukrainians	21
OSCE PA	138
Parliamentary Assembly of the Council of	
Europe (PACE)	48
Canadian-Ukrainian Foundation	102
NATO PA	32
European Parliament	20
CANADEM	232
TOTAL OF BOTH	3149
egistered international observers.	3147

registered international observers.

19. (U) Of this total, 60 OSCE observers are long-term observers (LTOs). NDI has also sponsored 76 LTOs, in addition to 1000 short-term observers (STOs) per round,

through a local Ukrainian NGO "OPORA." These Ukrainian observers registered as journalists and are not reflected in the numbers above. Of ENEMO's observers, 50 are LTOs.

110. (U) Embassy Kyiv will send out 17 teams of observers in Round one. Five will deploy in the Kyiv area and twelve will target cities and surrounding areas throughout Ukraine. We will follow this format for round two as well.

Comment

111. (C) While Ukraine's East-West electoral divide remains pronounced, the intensity of that division is less than during the 2004 campaign. The perceived difference between Tymoshenko and Yanukovych does not compare to the polarized perception of the Yanukovych-Yushchenko match-up in 2004. Sergey Tigipko's surge stems from his ability to tap into the "none of the above" sentiment. The influence of Russia and the issues of NATO membership and Russian language are also less pronounced than in 2004. The desire for a better response to the economic crisis, disenchantment with Orange leaders' infighting, and appeals to "stability" have been core themes for Yanukovych -- and they are resonating. It is no small feat for a sitting PM to overcome the burden of a fifteen percent drop in GDP over the past year, and Tymoshenko has not done so. She is now running in large measure as the anti-Yanukovych candidate. Her depiction of Yanukovych as a criminal thug, tool of oligarchs, and embarrassment for Ukraine's image will only intensify in the run up to the second round -- assuming (as most observers do) that Tigipko does not shake everything up and upset her for second place. TEFFT